



Governor's Solar Advisory Task Force

Minutes

Date/Time: Thursday, April 12, 2012, 2:00 p.m. - 4:00 p.m.

Location: Governor's Conference Room, second floor, State Capitol Executive Tower

Co-Chairs: Leisa Brug, Director, Governor's Office of Energy Policy
James Strock, Serve to Lead, Inc.

Invitees: Appointed members of the Task Force:
Kevin Kinsall, Natural Resources Policy Advisor
Maria Baier, State Lands Commissioner

Members Present: Brad Albert, APS; Leisa Brug, Governor's Office of Energy Policy and Energy Policy Advisor for Governor Jan Brewer; Charles B. Duckworth, SRP; Glenn Hamer, Arizona Chamber of Commerce & Industry; David Hutchens, UniSource, Tucson Electric Power; Michael L. Neary, ARISEIA Arizona Chapter Solar Energy Industries Assn; George M. Seitts, Rose Law Group; Polly Shaw, Suntech; James Strock, Serve to Lead, Inc.; Laurie Woodall, K.R. Saline & Associates, PLC

Members Absent: John Blair, Sulphur Springs Valley Electric Cooperative, Inc.; Franc Del Fosse, Snell & Wilmer LLP; Patrick James Graham, The Nature Conservancy; Herb Hayden, Southwest Solar Technologies; Allison Hoskins-Suriano, Kennedy Partners; Kate Maracas, Abengoa Solar; David Martin, Associated General Contractors; Sean M. Seitz, American Solar Electric, Inc.; Robert Wanless, Solon Corporation

Guests: Bud Annan, ASU; Maria Baier, State Land Department; Allison Bell, Arizona Public Service; Evan Brom, State Land Department; Ian Calkins, Copper State Consulting Group; Chris Davey, EVM; Michelle De Blasi, Quarles & Brady; Wimberly Duran, Arizona State Land Department; Debby Emler, Western Area Power Administration; Giancarlo Estrada, KMLF; Simone Hall, TNC; Teresa Harris, Groundwater & Environmental Services, Inc.; Audra Hartman, NextEra Energy; Chris Herstam, Lewis & Roca, LLP; Ryan Johnson, State Land Department; Jamie Kern, ASU; Joe McGuirk, Sun Miner; Maren Mahoney, ASU; Blaine Miller, Governor's Office of Energy Policy; Darrick Moe, Western Area Power Administration; Ron Monat, CB Richard Ellis Capital Markets; Steve Olea, ACC; Wayne Porter, PE4RC; Toby Robb, Brilliant Green Energy; Vicki Sandler, AzISA; Martin Schultz, BHFS; Paul Szewczykowski, Logan Simpson Design, Inc.; Nick Theisen (for Robert Wanless), SOLON Corporation; Gene Trobia, State Land Department; Larry Truong, Power-One, Inc.; Jim Westberg, Governor's Office of Energy Policy

1. CALL TO ORDER

Leisa Brug called the meeting to order at 2:09pm.

2. APPROVAL OF MINUTES

The minutes from the previous meeting were approved.

3. SPECIAL GUEST:

Arizona State Lands Department, Presentation: Renewable Energy Mapping System

Leisa Brug: Welcome State Land Commissioner Maria Bier. GOEP has partnered with State Land Department about one and one-half years ago on the Renewable Energy Mapping System project. The Governor gave \$1Mil toward the project and so we have been working diligently with them on this project.

Maria Bier: Willie Duran, Evan Bram, Gene Trobia, Ryan Johnson

Let me give you an overview of the program. Arizona is a great state for solar: lots of land, lots of sun. Some questions were asked including where can we put all of the solar energy? That's where we got involved. In order to create a map of all of the locations that solar could be placed, we created the goal to have the data aggregated into our data base. It's a geo-spatial data base for multi-agency use to assist in decision making related to renewable energy generation sites and transmission corridors. We looked at places with higher potential: are there roads nearby, are they near neighborhoods, are there power lines nearby, is it a wildlife refuge, etc. The public mapping portion is where the public and potential data from BLM, Game and Fish Department, State Land Department, and the US Geological survey will be. Data can be uploaded & downloaded which is very new. We will be able to catalog the data. ASLD Solar map shows data with green, orange, red spots on the map where red is lower potential and green is higher potential. Also it can be seen if the land is currently in use, or it is on the side of a mountain. The sample application map shows a specific area with blue outlines which is a match for the requested type of location. The data catalog does not require a public records request. There is a list of already created data, documents, and maps so that they are easily accessible, especially for smaller companies.

Bud Annan: Is your criteria the same as BLM?

Ryan Johnson: No

Bud Annan: Are you using the ASU 'smart' map/GIS?

Ryan Johnson: We are not using ASU's map, but we did partner with them to design the website. We partnered with BLM initially to make sure everything was lined up, but they have a whole separate set of criteria than we do.

Gene Trobia: It is set up where we are trying to maximize that different agencies have different program criteria, but our data is not exactly like BLM although it is similar. We are looking at adjacent lands that are extremely similar.

Laurie Woodall: Are you using Game and Fish Department data?

Gene Trobia: Yes

Maria Bier: The genesis of the discussion was to help private sector and developers find space that is good for renewable energy development. It is intended to be a guide through the state as seamlessly as possible. The data would not be in conflict with BLM.

Gene Trobia: ADOT right-of-way is not included in there; only State Trust lands.

Martin Schultz: It is what we did with transmission line siting a long time ago, where we put 16 agencies' info together.

Gene Trobia: We got what we could from the utilities, and also from state agencies, but there was a lot of their data that was proprietary and therefore we could not access it.

Leisa Brug: Just a week ago we announced the first project, with APS, on State land. Federal lands are federal and we may comment, but we cannot make any decisions regarding it. Now we have this extra tool for the folks who come into our office and say "What bout State lands?" We are now able to give them an idea of the steps to follow to develop on State land. And this is streamlining and making it easier to do business in Arizona.

Maria Bier: It aids the strengths and the difficulties, that has been interesting for us as the State Land Department. We live in the real estate 'world', and there are others who live in the energy 'world', and the two do not often cross over. So we worked hard to find people experienced in both. In the real estate world we want to know all the constraints, like zoning, slope, water availability, etc. There is much less regulation on private land, but you have to make a deal with the private land owner. The auction process is not as much of a barrier anymore.

James Strock: The questions you have heard from people sound like ones that may recur. Is there a place where this is laid out and people can see?

Ryan Johnson: The website is always evolving and we will look into an FAQ section regarding these and many other topics.

Gene Trobia: There is a state agency partner check-in/-out section, and ADOT GIS folks were involved with helping define what they felt was the best.

Leisa Brug: Thank you so much for coming and all of your hard work that has been put into this.

James Strock: I would like to report a change in my participation in this group going forward. I enjoy and value participating in this group; regrettably, my out-of-state travel with my business demands have made it difficult for me to schedule meetings. Therefore I have asked the Governor's office to be released from being co-chair, while continuing to participate as a member of the task force.

Leisa Brug: We are working with Kevin upstairs to find another co-chair, but it is still legislative session so we are still very busy.

4. OLD BUSINESS

- **Permitting Subgroup**

- a. **Commercial scale solar permitting white paper**

- No update at this time.

- b. **Utility scale solar permitting white paper**

- We are continuing to work on the document.

- c. **SunShot – Solar Roof Top tie-in**

- Blaine Miller: There was a kick-off meeting with a lot of communities and we are trying to choose who we want to pick for partners with our projects. We are working with ASU to get a website, and we will link to it from the GOEP website when it's ready. Hopefully at the next meeting we will have further items to report.

- Leisa Brug: I am really pleased with the integration between my staff and the Task Force. It is coming together the way we had envisioned it. I don't have a deliverable date yet.

- **Financing Subgroup**

Leisa Brug: Franc could not be here, let me read his report: I have spoken to each member of the subgroup. This report that we are working on will break-down and explain the financing of solar on the residential, commercial, DG, and utility scale segment. The report is also intended to include a historic look at the incentives driving the industry and financial models that have developed in each segment. The ball is in my court to create an outline for the subgroup to review and comment on before we start working on this. We have not yet discussed a timeline on this yet.

James Strock: Franc is taking a look at what Arizona has already done and to see how current efforts are working. There needs to be a bit of analysis to set some priorities and be able to use that prior experience effectively. The next thing is to layout alternatives, not only including what's been proposed and implemented here, but also in other states. Databases are coming together in various places, and Franc has strong experience bringing in technical people.

- **Transmission Subgroup**

Laurie Woodall: Transmission Sub-group – I had a teleconference on February 28 where we talked about a variety of topics. Amanda Ormond talked about the Arizona Power Authority's ability to help build transmission lines. They have the ability to do bonding. They approve bonds through the Attorney General. I will be contacting a representative from their office. We spoke about the size of utility scale and discuss them separately. There was discussion about the energy imbalance market and making use of large transmission lines. We will be exploring what Colorado, Nevada and Wyoming are doing. We will be monitoring the biennial transmission assessment. Mr. Olea, what is the current time frame that we have on that?

Steven Olea: There are a couple workshops starting in August, and then it will go to an open commission meeting in October. Input includes the 10 year plans, from utilities or anyone else who wants to build 100MW or more. They are due every January.

Laurie Woodall: Kate Maracas talked about the California Energy Commission guidelines for how to calculate eligible renewable energy. They are currently under review by the CPUC in an ongoing proceeding. I don't think it's been approved. SRP discussed with us about 'dynamic scheduling' which is another mechanism whereby energy that's produced in Arizona can get to California markets but would not be counted as foreign. This is important because the California utilities can only acquire a maximum of 25% of their renewable energy load. In short, we are currently researching the issue of California eligibility guidelines, congestion, 'dynamic' scheduling, and other methods to enable methods of export of renewable energy. The Western Area Power Administration is monitoring the Rapid Response team efforts, which is a committee created to facilitate permitting, and they had a pilot project of seven transmission plans, and they will keep us posted as to what is going on because there may be some lessons to be learned. Giancarlo Estrada has provided some information on 'dynamic transfers'. SunZia provided some information regarding California congestion issues. Mr. Ali Amirali at Starwood Energy also offered to provide information regarding congestion and the AC to DC transmission proposal being discussed for the Mead Line. We will schedule another meeting to put out a proposal; we are in an information gathering session.

Leisa Brug: The Governor sent out a note to the WGA asking for a gubernatorial level leadership process for intra-state transmission. I've had good discussion with Gov. Brown's energy folks. I've talked to Nevada and some of the other states. We should talk because we've transported traditional energy for a long time, and this is just an extension of that. There is a meeting in June.

Martin Schultz: If in fact we start with the Governor's view point - and we just saw it on the State Lands map, but the utilities can only buy so much capacity, but if we are going to grow this industry consistent with A) the operations of the industry, and B) the operations of the economic development interest in our state, then we have to sell to the market.

Leisa Brug: I will send out the information.

Giancarlo Estrada: Just included a workshop that ended just before this meeting, there were a number of stakeholders. California needs to look at adjacent resource possibilities.

Martin Schultz: I think to have a meeting, and working with the WGA is good, but I'd like to see an official meeting, with Brewer, Brown and Sandoval together having a conversation about this region. Maybe there could be a summit? Maybe you and the Commerce Authority could work together on it, here are the conditions that you can invest in it. But you have to go talk to the investors, they would come and look and see what are the hurdles compared to California and New Mexico and Colorado.

James Strock: Just to be clear, you are suggesting a summit or something like that, and a follow-up to the summit?

Martin Schultz: Yes, there are a lot of people trying to create streamlining and efficiency. If you are going to push your project through, like the millions of dollars of projects, we have got to figure out the process like what Gila Bend is doing to speed up the process and that is what we need to do. We need to differentiate ourselves, and show us how fast we can get something done.

Leisa Brug: We are aware that California is a union state versus Arizona that is non-union.

Larry Truong: Jobs- mapping, is there a policy similar to Massachusetts where there is an incentive for creating jobs?

Leisa Brug: Incentives for jobs are through the ACA, acquiring land is through State Land Department.

Marty Schultz: The RES we have in Arizona only applies to regulated utilities, a signal that is confusing, but investors make decisions based on the political climate also. Distributed generation and transmission are also really big issues.

Laurie Woodall: I attended the ASU Solar Summit. Barry Broome, he is meeting with the heads of all these companies, how do we communicate the message that we are open for business?

Michael Neary: We are open for business and that is the message we need to get across.

- **Discussion of upcoming solar efforts & events—discussion/announcements**

Leisa Brug: As of lately I have a lot of resumes coming in, and I would like if you have jobs available, please send them to me, so I can send the resumes along to you. I had a meeting with a woman in Phoenix who heads-up the Green Jobs sector and she would like me to forward that job information to her also, so if you have some jobs or know someone who does, let me know and I will forward them to her.

- ASU Solar Summit, a comment: they have four working groups there, and one is called 'Building the Narrative' and they were working on communicating the message about the positive impact of solar energy and production and why it's a good thing. They publish their materials on their website.

- Green Tech: May 1 and 2, only \$1300 to get in, they compile statistics on the solar industry

- ASU mixer Thursday and Friday

- SEPA

4. NEW BUSINESS

Solar related bills signed by Governor Brewer

Leisa Brug: Solar related bills signed by Brewer: The Governor has signed some really good bills and vetoed some others. HB2743 schools leasing PV on their rooftops, previously it needed to go to the ballots for public vote for leases over 5 years. Now the schools can just go to the board to get approval. The schools will be paid for that space. SB1229 Clarifies existing statute protects double taxation, defines REC's as a measurement not as something that should be taxed, and it defines net metering. HB2830 Energy and water savings accounts: they were due to sunset in 2013 and this eliminated that expiration. It expanded the program to cities, towns, counties, community colleges and universities, and state agencies, and allows them to enter into cost savings agreements. It defines what they are and performance contracts are now in statutes. Outside of Solar, she signed two Aquaculture bills. There are two left that are out there: 2789, 2775 pool pumps efficiency. She's a big supporter of renewable energy and it says a lot about where she wants to take the state. If you feel inclined to thank her, please, send her a letter, write on a blog, write an op-ed or letter to the editor somewhere. Her focus is on government reform. When I'm looking at the bills, I look at them through the lens of government reform and streamlining.

James Strock: The Governor gave a really good speech on April 15, 2010 on these issues. It might be time to revisit that to help convey her vision.

Glenn Hamer: Thank you for your leadership in this area. This is really hard work, and the Governor signing the bills shows a great deal of progress.

5. COMMENTS/ANNOUNCEMENTS

No announcements.

6. PUBLIC COMMENTS

Bud Annan: Going back to the idea of the Solar Summit, I'd like to suggest a focus on the supply chain. We need to grow the industry, and in order to do that we have to work on the supply chain. A good example is the geothermal supply chain. There is an R&D Roadmap exercise run by U of A. Financing, a couple conclusions from the Summit, energy imbalance market is huge, and a suggestion is to target natural gas – we should see if California is interested in partnering.

7. ADJOURNMENT

Leisa Brug adjourned the meeting at 3:24pm.

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